DEWAN'S REPLY: Mr. Aiyan Kali, the reply I gave to the representative who preceded you will also apply to your representation.

11. Grievances of merchants under the Income tax Regulation.

MR. S. VEERIAH REDDIAR (*Member, Mercantile and Trading Classes, Alleppey*) made the following suggestions:

(1) Arrangements should be made for the translation of the Income tax Regulation and the rules under it into Malayalam and for the translations being sold at a moderate price;

(2) Government should accept the balance-sheets prepared by the merchants, provided they were supported by affidavits;

(3) A high-paid officer should be made responsible for examining the accounts in the light of affidavits and he should be directed to return the accounts and vouchers produced by merchants on the very same day on which they were produced;

(4) Arrangements should be made for income-tax officers examining the accounts of merchants in their place of business itself, provided the merchants applied for the same and also paid a reasonable fee;

(5) Rules should be passed providing for the acceptance of balance sheets certified by auditors recognised by Government.

DEWAN'S REPLY: Mr. Veeriah Reddiar, in regard to your first representation, Malayalam translations of the Income Tax Rules and Regulations already exist and you can obtain them on payment at the Government Press.

Then you suggest that Government accept without question the balance sheets prepared by the merchants and in another place you say balance sheets prepared by a duly certified auditor. I suppose by balance-sheet you mean the annual profit and loss account. I am afraid, under prevailing conditions it is necessary for the Government to obtain their information from first hand sources, that is from the account books. So, in that matter, no change such as you suggest is feasible.

Then you ask that a high paid officer is required to verify the figures. There are orders to that effect and circular instructions have been issued to all Income Tax Collectors not to trust the examination of accounts entirely to their clerks and they are also instructed to return the accounts on the very day they are received. Instructions are also given to the effect that, as far as possible, the accounts of merchants and traders should be examined at their place of business, that is they should not be required to go a long distance with their account books and so on. I think that covers all the main points of your representation.

12. Hardships suffered by the mercantile and trading classes under the Income tax Regulation and suggestions for remedying them.

MR. POTHAN PHILIPOSE (*Member, Mercantile and Trading Classes, Changanachery*) said that merchants as a rule had no grievance in principle about the realisation of income-tax from them by

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